

# GLOBAL



## Our investment approach.

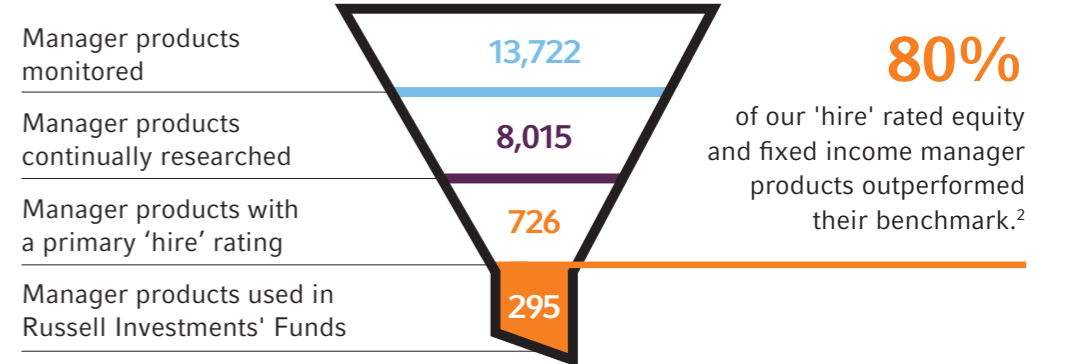
Focusing the world's leading managers and strategies on your goals—in an efficient, adaptive and diversified portfolio.



OUR GLOBAL INVESTMENT APPROACH

# Designed to help you achieve your goals.

FINDING THE WORLD'S LEADING MANAGERS AND STRATEGIES<sup>1</sup>



## Our approach starts with you

- Understanding your investment goals
- Your views on risk and volatility
- Tax status, fee sensitivity, additional inputs

1. DESIGN PHASE

What balance of **asset classes** offers the highest likelihood of reaching your goals?

PRIMARY INPUTS

- Goals, circumstances and preferences
- Long-term forecasts
- Medium-term views

110+ investment professionals	170+ asset class forecasts	5,000+ modeled scenarios
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2. CONSTRUCT PHASE

What is the best way to **access** those asset classes?

PRIMARY INPUTS

- Strategic beliefs
- Manager research
- Positioning strategies

35+ manager analysts	2,500+ meetings per year	20+ years of historical manager records
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3. MANAGE PHASE

How should we **optimise** for your situation and the current environment?

PRIMARY INPUTS

- Real-time portfolio analytics
- Forward-looking views
- Integrated trading

24hr in-house trading desk	US\$110b <sup>3</sup> traded in 2018	47% <sup>4</sup> better trading price than average
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ENVIRONMENTAL, SOCIAL AND GOVERNANCE CONSIDERATIONS CAN BE EMBEDDED WITHIN EACH STAGE OF OUR INVESTMENT PROCESS

## What sets our approach apart?

**ASSET ALLOCATION**  
A pioneer in optimised asset allocation.

**MANAGER RESEARCH**  
Proven ability to find outperforming managers.

**EFFICIENT EXECUTION**  
Efficient execution, without sacrificing insight.

## Learn more about our approach at [russellinvestments.co.nz](https://russellinvestments.co.nz)

All data is for Russell Investments globally and is as of 31 March, 2018

1 Manager research funnel data as of December 31, 2018.

2 **Source:** Data provided by internal Russell Investments applications. These applications are populated with data collected from individual managers by third party data collectors. The data is not thoroughly verified by Russell Investments and although deemed reliable, its accuracy is not guaranteed by Russell Investments or its affiliates. Most data is gross of advisory fees, but net of fee data is utilized where gross of fee data is not available.

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**Methodology:** Quarterly performance data for hire ranked products is sourced for all approved coverage areas researched by Russell Investments. Each product in our hire lists is compared to the relevant Russell Investments' assigned benchmark Index to generate a quarterly geometric excess return. Product level quarterly excess returns are compounded to calculate rolling 5 year excess returns. Hit rate calculations determine the percentage of hire rank products that have a positive excess return over each 5 year period. The percentage hit rate in all rolling periods is averaged to generate an average hit rate across all periods. Average excess return includes all products that have 5 year hit rates, positive or negative. For each 5 year rolling period, average excess return is calculated. The results for all 5 year rolling periods are average to generate an average excess return for all periods.

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**Timing:** Data is based on performance of hire ranks from Q1, 2000 to Q4, 2018. Manager products are included and excluded as our product ranks change over time; not all products are continually hire ranked over these indicated time periods. The information presented is for illustrative purposes only.

3 Our methodology for calculation of our annual transition management values: Assets In Transition (AIT) represents the transition amount as the value of the initial portfolio assets in transition. Historically, the transition volume was represented by all transactions completed in the event, which included all buy and sell transactions of securities, derivatives and currencies. The new AIT methodology also removes internal Russell Investments Fund activity that is now managed by other teams with Russell Investments, which was included in the previous methodology.

4 Elkins McSherry data as of 30 June 2018. Highlight cost of global equity trading relative to full Elkins McSherry universe (both buy and sell side firms). Data is benchmarked against the "arrival price". Elkins McSherry is a data analytics firm that measures and tracks portfolio cost efficiency.

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